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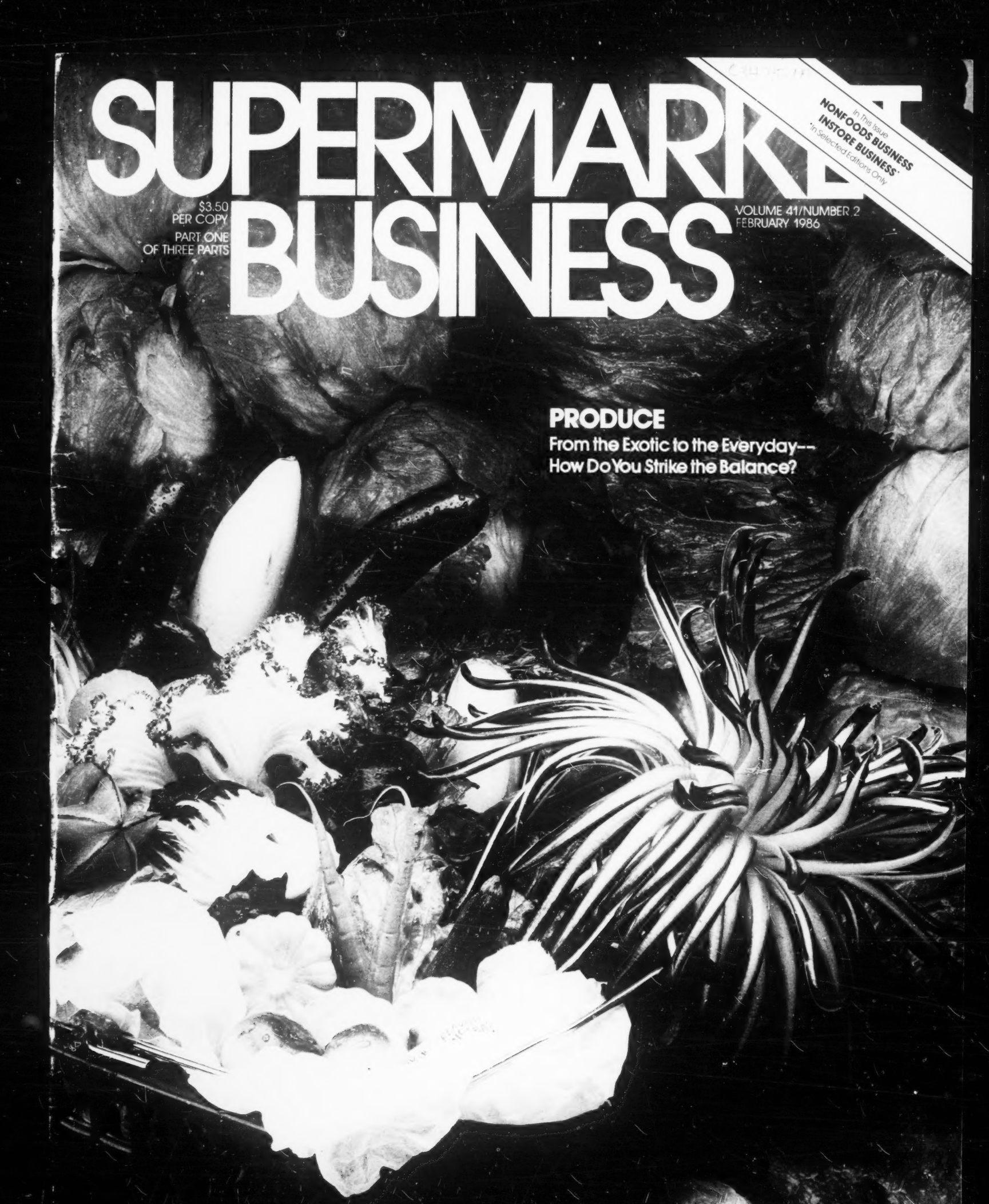
NONFOODS BUSINESS
INSTORE BUSINESS*
*In Selected Editions Only



PRODUCE
From the Exotic to the Everyday--
How Do You Strike the Balance?

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VOLUME 41
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FEBRUARY 1986

PRODUCE: HOW DO YOU BALANCE VOLUME, VARIETY & QUALITY? /A STAFF REPORT 17

Although their methods differ in scale, approach and emphasis, retailers around the country are rising to the challenge of striking a delicate balance in produce—which, to many, represents the most important department in the store.

P&C: A NEW DESIGN AND OLD-FASHIONED FRIENDLINESS PAY OFF/BOB HUGHES 26

P&C Foods Markets, in Syracuse, N.Y., has always been friendly. But it's gone that one better in its new store in New Hartford, N.Y., which has the chain's first full ring of service departments.

KAUFELT'S FANCY GROCERIES: TAKING A RISK ON STYLE AND SUBSTANCE/BOB HUGHES 32

With its eclectic look—a blend of the old and the new—Kaufelt's is banking on its customer commitment to quality and service.

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In Roxbury, Mass., in a neighborhood where at least two supermarkets have failed, this 21,000-square-foot independent is dedicated not only to fine quality and service, but also to engendering community spirit and pride.

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SAMI UPDATE

HBA Products Hit a Sticky Wicket in Food Stores During November

BY ALAN MILLER, JR.

Recent sales in health and beauty aids took a surprising fall. With one reporting period left before the final figures are in for 1985, a reversal could turn the sour note sweet.

Just when evidence was accumulating that 1985 was a bountiful year for health and beauty aids (HBA) in food stores, suddenly the trend reversed, and four-week sales soured to the tune of −1.1 percent. The loss rate was higher than the unit volume decline of 0.7 percent for dry grocery: non-food items and 0.8 percent for frozen foods. For SAMI's reporting period ended Dec. 6, 1985, the loss was on top of a gain of 1.1 percent for the corresponding year-ago period vs. 1983.

The sales weakness was spread over a number of categories, and those with four-week losses outpaced those with gains 32 to 18. This ratio compares with 34 gains and 16 declines during the preceding period. Four product groups had gains, led by an increase of 3.7 percent for hair care needs and 2.5 percent for deodorants. But four other groups registered four-week unit volume declines, ranging from a high of −4.4 percent for oral hygiene and 3.4 percent for proprietary remedies to lows of −0.4 percent for first aid and −1.3 percent for baby needs.

Dollar sales in all 50 categories tracked by SAMI (excluding natural vitamins and dental aids, which SAMI has just started to measure) were ahead 2.0 percent. This rate of gain trailed all other SAMI product departments except frozen foods, which gained only 1.4 percent in dollar volume. In spite of the weakness during the most recent 28-day reporting period, the 6.9 percent dollar rate increase for HBA products is still the highest for any SAMI department, and the 52-week gain rate of 2.4 percent in units trails only refrigerated foods, which currently has an annual growth rate of 4.0 percent.

In the previous period, there were four-week unit volumes losses among baby powders and infant clothes. In the more recent period, there was a plus for baby powders and a loss for baby oils, creams and lotions. Sales of infant clothes in food stores continue to erode, and the loss rate is hovering around 11 percent for the four weeks, 12 weeks and full year.

Deodorant gains offset losses

Growth among deodorants is still coming from those in stick form, which achieved a 15.5 percent gain in the most recent period, down slightly from the 19.2 percent increase in the November reporting period. The growth of sticks is at the expense of sprays (−3.7 percent), roll-ons (−7.6 percent) and creams (−13.7 percent). There was a gain of 8.2 percent for deodorant and talcum powder, and plus volume for both foot deodorants and athlete's foot remedies (+1.7 percent) and feminine douches (+4.5 percent). Feminine hygiene deodorants, a small-volume category, showed a decline of 10.2 percent. In this product group, the gains more than offset the losses, and the net increase amounted to 2.5 percent—about the same gain as the 2.4 percent on an annual basis.

For first aid products, the November plusses turned to minus figures for first aid antiseptics (−1.6 percent) and first aid products (−0.1 percent)—a net loss of 0.4 percent for both categories combined.

The 3.7 percent growth rate among hair care needs is down from the 7.5 percent gain during the preceding 28 days. Hair settings needs, fueled by the proliferation of new hair styling mousse items, are reaching a point of maturity, but sales were still able to muster a 32.7 percent gain, compared with a 40.4 percent increase during the preceding period. Hair sprays also had a decrease in the gain rate, and the 9.8 percent plus during the most recent period compares with a jump of 18.3 percent in the period ended in early November. There were small losses in three categories: hair conditioning rinses (−0.1 percent), home permanent kits (−0.7 percent) and hair coloring (−5.7 percent). Shampoos, the highest volume category in the hair care needs group, showed a modest increase of 7/10ths of a percent, slightly lower than the 1.7 percent gain in the prior period.

As was true during the reporting period ended Nov. 8, 1985, there is still only one oral hygiene category with a unit volume gain over the corresponding year-ago period—toothbrushes, which had a gain of only 7/10ths of a percent. Unit volume losses exceeding 5 percent were found among breath fresheners (−13.1 percent), den-

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 10/11/85	4 WEEKS ENDING 11/8/85	4 WEEKS ENDING 12/6/85
BABY NEEDS	**+ 2.8%**	**+ 1.4%**	**– 1.3%**
Baby Powders	+ 7.2	– 4.2	+ 3.8
Baby Oils, Creams & Lotions	+ 2.6	+ 3.5	– 2.9
Infant Clothes	– 11.9	– 9.2	– 11.6
Nursing Supplies	+ 5.2	+ 5.3	+ 1.0
DEODORANTS	**+ 4.9%**	**+ 4.1%**	**+ 2.5%**
Sprays	– 5.1	– 5.8	– 3.7
Roll-Ons	– 3.2	– 4.6	– 7.6
Stick Deodorants & Pads	+ 20.9	+ 19.2	+ 15.5
Creams	– 9.5	– 13.3	– 13.7
Deodorants & Talcum Powders	+ 17.7	+ 7.1	+ 8.2
Feminine Hygiene Deodorants	– 2.1	– 8.4	– 10.2
Foot Deodorants & Athlete's Foot Remedies	+ 14.1	+ 9.5	+ 1.7
Feminine Douches	+ 4.9	+ 6.9	+ 4.5
FIRST AID	**– 0.1%**	**+ 2.7%**	**– 0.4%**
Antiseptics	+ 4.7	+ 4.2	– 1.6
First Aid Products	– 1.3	+ 2.3	– 0.1
HAIR CARE NEEDS	**+ 5.1%**	**+ 7.5%**	**+ 3.7%**
Shampoos	– 0.1	+ 1.7	+ 0.7
Hair Sprays	+ 12.4	+ 18.3	+ 9.8
Hair Conditioning Rinses	– 2.7	+ 4.6	– 0.1
Hair Setting Needs	+ 85.2	+ 40.4	+ 32.7
Home Permanent Kits	– 3.2	– 10.0	– 0.7
Hair Coloring	+ 6.3	+ 7.7	– 5.7
Hair Dressing Needs	+ 7.2	+ 9.6	+ 2.6
ORAL HYGIENE	**+ 1.2%**	**– 3.8%**	**– 4.4%**
Toothpastes & Powders	+ 4.6	– 6.2	– 5.3
Mouthwashes	– 8.6	– 5.3	– 2.8
Breath Fresheners	+ 1.0	– 5.6	– 13.1
Denture Cleaners	– 6.0	– 1.1	– 7.9
Denture Adhesives	– 6.8	– 5.6	– 7.6
Toothbrushes	+ 2.2	+ 10.9	+ 0.7
PROPRIETARY REMEDIES	**– 0.5%**	**+ 2.9%**	**– 3.4%**
Antacids	+ 3.5	+ 3.5	+ 2.9
Internal Analgesics	– 3.4	– 2.7	– 3.3
External Analgesics	– 2.5	+ 2.0	– 6.7
Cold Tablets	+ 5.5	+ 8.5	– 2.3
Nasal Sprays—Drops—Inhalers	– 7.0	+ 3.9	– 8.8
Chest Rubs	+ 0.3	+ 5.3	– 10.8
Cough Remedies	– 4.5	+ 3.3	– 10.0
Laxatives	+ 3.6	+ 1.6	– 0.9
Sleeping Aids	+ 1.4	+ 12.1	+ 7.8
Tranquilizers	– 24.0	– 33.9	– 10.9
Synthetic Vitamins (Natural Vitamins, Minerals, Supplements)	—	+ 10.0	– 4.4
Eye Care Products	+ 23.3	+ 22.9	+ 14.5
Appetite Suppressants	– 7.2	– 9.3	– 15.5
SHAVING NEEDS	**+ 3.2%**	**+ 4.6%**	**+ 1.4%**
Shaving Creams	+ 0.4	+ 3.3	+ 5.1
Pre-Shave Lotions	– 1.7	+ 5.4	– 6.5
After-Shave Lotions	+ 9.3	– 2.3	– 12.5
Razor Blades	+ 4.0	+ 5.9	+ 2.1
Razors & Blades	– 2.9	+ 8.8	+ 10.4
SKIN CARE AIDS	**+ 0.6%**	**+ 9.7%**	**+ 0.8%**
Hand & Body Creams & Lotions	– 12.0	+ 0.9	– 2.2
Facial Preparations	+ 31.8	+ 36.9	+ 20.5
Lip Care Products	– 0.7	+ 16.7	– 2.0
Suntan Lotions & Oils	– 2.7	+ 46.0	– 4.8
Cosmetic & Medicated Skin Aids	+ 1.8	+ 1.4	– 4.3
TOTAL ALL CATEGORIES	**+ 1.8%**	**+ 2.9%**	**– 1.1%**

ture cleaners (– 7.9 percent), denture adhesives (– 7.6 percent) and toothpaste and powder (– 5.3 percent). The 2.8 percent loss in the mouthwash category represents an improvement over the 5.3 percent decline during the preceding period. The loss rate for toothpaste, although slightly less worrisome than the 6.2 percent loss last month, comes in spite of popularity of anti-plaque formulations and pump dispensers. Fifty-two-week unit sales in this category are still slightly higher (+ 1.3 percent) than in the comparable 1984 period.

Cold remedies down

November seems to have been a poor period for cough and cold remedies, since there were losses in each of the four such categories monitored by SAMI: chest rubs (– 10.8 percent), cough remedies (– 10.0 percent), nasal spray-drops-inhalers (– 8.8 percent) and cold tablets (– 2.3 percent). There was also a four-week decline of 3.3 percent among internal analgesics, which are often used to treat cold symptoms. A 15.5 percent decrease in appetite suppressant sales represented an increase in the rate of loss over the 9.3 percent drop a month earlier. The sales rate of eye care products advanced 14.5 percent, the category's lowest level of growth in recent months.

Sleeping aids sales moved upward 7.8 percent, compared with a 12.1 percent increase a month ago.

Three of the five categories of shaving needs showed growth, paced by razors and blades (+ 10.4 percent), shaving creams (+ 5.1 percent) and razor blades (+ 2.1 percent). However, there were losses for pre-shave lotions (– 6.5 percent) and after-shave lotions (– 12.5 percent). In all five categories combined, the unit gain rate amounted to 1.4 percent.

There was an abrupt turnaround in the trends of all five categories of skin care aids. The trend change in facial preparations was evident in the size of the rate of increase, from + 36.9 percent in the preceding period to + 20.5 percent currently. In the other four categories, four-week plusses last month have changed to four-week loss rates: – 4.8 percent for suntan lotion-suntan oil, – 4.3 percent for cosmetic and medicated skin aids, – 2.2 percent for hand and body cream/lotions, and – 2.0 percent for lip care products. In all five of these categories combined, the gain rate was 0.8 percent.

We can offer no logical explanation for the sudden weakness among health and beauty aids during November. In some parts of the country, bad weather may have reduced the number of shopping trips. There is one more reporting period before the final curtain is drawn in 1985. It is hoped that an upward surge will be detected that will end the year on a bullish note.

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